

FEDERAL AVIATION ADMINISTRATION TRAVEL POLICY
Chapter 302—Relocation Allowances

**PART 302-50—ALLOWANCE FOR EXPENSES INCURRED IN CONNECTION WITH
RESIDENCE TRANSACTIONS**

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SUBPART A—GENERAL RULES

- § 302-50.1** **What is the purpose of the allowance for expenses incurred in connection with residence transactions?** To facilitate the transfer of an employee by assisting the employee to sell his/her residence at the old official station and purchase a residence at the new official station. The allowance is intended to reimburse residence transaction costs only, and must not be used to provide additional equity in, or make capital improvements to, the home.
- § 302-50.2** **Am I eligible to receive an allowance for expenses incurred in connection with residence transactions?** You are eligible if:
- (a) You are authorized relocation benefits for a permanent change of station under part 302-3 of this chapter;
 - (b) Your new official station is within a nonforeign area; and
 - (c) Your old official station is in either:
 - (1) A nonforeign area; or
 - (2) A foreign area if your new official station is in a nonforeign area and is different from the nonforeign area official station you transferred from when you began your assignment(s) in a foreign area(s).

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§ 302-50.3	Who is not eligible to receive an allowance for expenses incurred in connection with residence transactions?	<p>The following are not eligible for an allowance for expenses incurred in connection with residence transactions:</p> <ul style="list-style-type: none">(a) An employee transferred to a post of duty in a foreign area;(b) An employee performing a temporary change of station;(c) A new appointee;(d) A student trainee;(e) An employee returning from an assignment outside CONUS to an assignment at his/her place of residence;(f) An employee returning from an assignment outside CONUS for separation from FAA service;(g) An employee receiving a “last move home” benefit; or(h) An employee assigned under the Government Employees Training Act (see 5 U.S.C. 4109).
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SUBPART B—RESIDENCE REQUIREMENTS

Property Requirements

§ 302-50.100	Which of my properties qualify for the allowance for expenses incurred in connection with residence transactions?	<p>The following properties qualify:</p>
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At...	You qualify for the allowance for expenses incurred in connection with residence transactions on...	
Your old official station,	<ul style="list-style-type: none">(a) Your residence as defined in § 302-1.18;(b) Your mobile home, or the lot on which it is located, if it is your residence as defined in § 302-1.18;(c) Your former residence at your place of residence if you transfer from a post of duty to a new official station within CONUS which is different from the official station you transferred from when you began your assignment(s) outside CONUS.	
Your new official station,	<ul style="list-style-type: none">(a) Your new residence as defined in § 302-1.18;(b) The land where you will build your new residence as defined in § 302-1.18; or(c) The lot on which you will place your mobile home, if it will be your residence as defined in § 302-1.18.	
§ 302-50.101	How many properties will FAA pay me an allowance for expenses incurred in connection with residence transactions?	Only one residence qualifies for payment of selling expenses, and only one residence qualifies for payment of purchase expenses.
§ 302-50.102	Are there any limits on how much land I can buy/sell in connection with the purchase/sale of my residence?	Only as much as reasonably relates to your residence. Generally, the land which reasonably relates to your residence is the plot of land which is customarily sold with a residence in the locality of your residence. Any additional property will be considered “excess property.”
§ 302-50.103	How is my reimbursement affected if I purchase/sell excess property?	FAA will reimburse only for expenses related to the purchase/sale of your residence. FAA will not reimburse you for expenses related to the purchase/sale of excess property. When your residence is sold with excess property, your expenses will be reimbursed on a pro rata basis. Your pro-rata share of the expenses will be determined by the ratio of the value of your residence (and reasonably related land) to the value of the entire purchase/sales price.

Occupancy Requirements

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§ 302-50.120	Must I occupy the residence that I sell at Government expense at the time I am notified of the transfer?	Yes, unless you are transferring from a post of duty to a new official station within CONUS which is different from the official station you transferred from when you began your assignment(s) outside CONUS.
§ 302-50.121	How is my reimbursement affected if the residence is a multiple occupancy dwelling and I and members of my immediate family do not occupy the entire dwelling at the time I am notified of my transfer?	FAA will reimburse your residence transaction expenses on a pro rata basis. Your pro-rata share of the expenses will be determined by the portion of the home that you and/or a member(s) of your immediate family occupy.

Title Requirements

§ 302-50.150	Who must hold title to the residence for FAA to pay me an allowance for expenses incurred in connection with residence transactions?	<p>The title must be held in the name of:</p> <ul style="list-style-type: none">(a) You solely;(b) A member of your immediate family solely;(c) You and a member of your immediate family jointly.
§ 302-50.151	How does FAA determine whether I and/or a member of my immediate family hold title to the residence?	<p>You and/or a member of your immediate family hold title if:</p> <ul style="list-style-type: none">(a) You and/or a member of your immediate family hold a actual title interest which is determined by the name on the title document (e.g., deed); or(b) You and/or a member of your immediate family hold an equitable title interest as described in § 302-50.152.
§ 302-50.152	How do I or a member of my immediate family hold an “equitable title interest” in my residence?	<p>You hold an equitable title interest, if:</p> <ul style="list-style-type: none">(a) The property is held in trust and the conditions in paragraphs (a) (1) through (6) of this section apply.<ul style="list-style-type: none">(1) The property is your residence;(2) You and/or a member(s) of your immediate family must be the only beneficiary(ies) of the trust during your lifetime;

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- (3) You and/or a member(s) of your immediate family must retain the right to distribute the property during your lifetime;
 - (4) You and/or a member(s) of your immediate family must retain the right to manage the property;
 - (5) You and/or a member(s) of your immediate family must be the only grantor/settlor of the trust, or must retain the right to direct distribution of the property upon dissolution of the trust or death; and
 - (6) You must provide FAA with a copy of the trust document.
- (b) The title is held in the name of a financial institution and the conditions in paragraphs (b) (1) through (4) of this section apply.
- (1) The property is your residence;
 - (2) You and/or a member(s) of your immediate family executed a financing agreement (e.g., mortgage) with the financial institution;
 - (3) State or local law requires that lending parties take title to perfect (i.e., protect) a security interest in the property, or the financial institution requires that it take possession of title as a condition of the financing agreement; and
 - (4) You must provide FAA with a copy of the financing document. FAA may require that the employee also provide proof of state or local laws governing secured credit.
- (c) The title is held both in the names of: (1) you solely, or you and one or more members of your immediate family jointly, or one or more members of your immediate family; and (2) an individual (accommodation party) who is not your immediate family member. In addition, the conditions in paragraphs (c) (1) through (7) of this section apply. (An accommodation party is an individual who signs an employee's financing agreement (e.g., a mortgage) to lend his/her name (i.e., credit) to the arrangement.)
- (1) The property is your residence;
 - (2) You and/or a member(s) of your immediate family have the right to use the property and to direct conveyance of the property;
 - (3) The lender requires signature of the accommodation party on the financing document;

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- (4) You and/or a member of your immediate family, are liable for payments under the financing arrangement (e.g., mortgage);
 - (5) The accommodation party's name is on the title;
 - (6) The accommodation party does not have a financial interest in the property unless you and/or a member(s) of your immediate family defaults on the financing arrangement; and
 - (7) You must provide FAA with acceptable documentation of the accommodation. Accounting offices shall issue policy defining acceptable documentation of the accommodation. Such documentation may include a copy of the financing document and/or a written statement from the employee certifying that the conditions in subparagraphs (c) (1) through (6) of this section apply. Such documentation also may include a written statement from the accommodation party certifying that he/she does not have a financial interest in the property. If your accounting office requires you and/or your accommodation party to submit a written statement, such statement constitutes an official document supporting a claim against the United States. If you and/or your accommodation party make a false statement, you may be subject to the penalties contained in § 301-52.12 for attempting to defraud the Government.
- (d) The title is held in the name of the seller of the property and the conditions in paragraphs (d) (1) through (4) of this section apply.
- (1) The property is your residence;
 - (2) You and/or a member(s) of your immediate family have the right to use the property and to direct conveyance of the property;
 - (3) You and/or a member(s) of your immediate family must have signed a financing agreement with the seller of the property (e.g., a land contract) providing for fixed periodic payments and transfer of title to you and/or a member(s) of your immediate family upon completion of the payment schedule; and
 - (4) You must provide FAA with a copy of the financing agreement.

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(e) Other equitable title situations. The title is held both in the names of: (1) the employee singularly, or the employee and one or more members of his/her immediate family jointly, or one or more members of his/her immediate family; and (2) an individual who is not an immediate family member. In addition, the conditions in paragraphs (e) (1) through (5) of this section apply.

(1) The property is the employee's residence;

The employee and/or a member(s) of the immediate family has right to use the property and to direct conveyance of the property;

Only the employee and/or a member(s) of the immediate family has made payments on the property;

The employee and/or a member(s) of the immediate family received all proceeds from the sale of the property; and

The employee must provide suitable documentation to the FAA that the conditions listed in subparagraphs (e) (1) through (4) of this section have been met. Accounting offices shall issue policy defining acceptable documentation. Such documentation must include financial documents proving that only the employee and/or a member(s) of the immediate family made payments on the property and financial documents proving that the employee and/or a member(s) of the immediate family received all proceeds from the sale of the property.

§ 302-50.153 **When must I and/or a member(s) of my immediate family have acquired title interest in my residence to be eligible for the allowance for expenses incurred in connection with the sale of my residence?**

You must have acquired your interest as follows:

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If you are an employee who is transferring...	Then you and/or a member(s) of your immediate family must have acquired your interest in the residence prior to...
Between official stations within CONUS,	The date you were first notified of your transfer.
From a foreign area if your new official station is in a nonforeign area and is different from the nonforeign area official station you transferred from when you began your assignment(s) in a foreign area(s),	The date you were notified that you would be transferred to a post of duty.

§ 302-50.154	Will my reimbursement be increased if I acquire after the date specified in § 302-50.153 an additional interest in the residence I am selling at Government expense?	No.
§ 302-50.155	Will my reimbursement be decreased if my interest in the residence I am selling at Government expense is decreased after the date specified in § 302-50.153 but prior to the sale of the residence at Government expense?	Yes. FAA will reimburse your expenses on a pro rata basis as determined by the title interest you hold on the earlier of: The date you complete the settlement on the residence; or The effective date of transfer.
§ 302-50.156	When is my title interest in my new residence determined for the allowance for expenses incurred in connection with the purchase of my new residence?	Your title interest is the title interest (actual and equitable) you and/or your immediate family member(s) receive when you and/or a member(s) of your immediate family complete the settlement on the property.
§ 302-50.157	How is my reimbursement affected if I and/or a member of my immediate family share title with another person?	FAA will reimburse your residence transaction expenses on a pro rata basis. Your pro-rata share of the expenses will be determined by your title interest (the sum of your actual title interest and equitable title interest).

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SUBPART C—RESIDENCE TRANSACTION EXPENSE REIMBURSEMENT

§ 302-50.200	How much is my allowance for expenses incurred in connection with the sale of my old residence?	<p>FAA will pay the actual allowable expenses paid by you and/or a member(s) of your immediate family to sell your old residence not to exceed 10 percent of the lesser of:</p> <p>Your pro-rata share of the actual sales price of the residence; or</p> <p>\$500,000.</p>
§ 302-50.201	How much is my allowance for expenses incurred in connection with the purchase of my new residence?	<p>FAA will pay the actual allowable expenses paid by you and/or a member(s) of your immediate family to purchase your new residence not to exceed 5 percent of the lesser of:</p> <p>Your pro-rata share of the actual purchase price of the residence; or</p> <p>\$500,000.</p>
§ 302-50.202	If I am reimbursed on a pro rata basis, what portion of the residence transactions expenses will FAA pay for me?	<p>FAA will pay your pro rata share of the expenses you incur as a result of the residence transaction (i.e., sale/purchase of residence).</p>
§ 302-50.203	Will FAA pay expenses incurred in connection with residence transactions that are paid by a person other than me or a member of my immediate family?	<p>No.</p>
§ 302-50.204	What residence transaction expenses will FAA pay?	<p>FAA will reimburse the following expenses if they are customarily paid by the seller of a residence at the old official station or if customarily paid by the purchaser of a residence at the new official station:</p> <p>A broker's fee or real estate commission paid by you for services in selling your residence but not in excess of rates generally charged for such services by the broker or by brokers in the locality of the old official station (See § 302-50.205 for the prohibition on paying fees or commissions for a buyer's broker);</p> <p>Costs of newspaper, bulletin board, multiple-listing services, and other advertising for sale of the residence at the old official station if you have not paid for such services in the form of a broker's fee or real estate agent's commission;</p>

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The customary cost of an appraisal;

Costs of searching title, preparing abstract, and legal fees for a title opinion to the extent such costs:

Have not been included in brokers' or similar services for which reimbursement is claimed under other categories; and

Do not exceed amounts customarily charged in the locality of the residence.

Costs of a title insurance policy; costs of preparing conveyances, other instruments, and contracts and related notary fees and recording fees; costs of making surveys, preparing drawings or plats when required for legal or financing purposes; and similar expenses incurred when you sell your residence to the extent such costs:

Have not been included in brokers' or similar services for which reimbursement is claimed under other categories;

Do not exceed amounts customarily charged in the locality of the residence; and

Are customarily furnished by the seller.

Other miscellaneous expenses in connection with the sale and/or purchase of a residence, to the extent they do not exceed specifically stated limitations, or in the absence thereof, amounts customarily paid in the locality of the residence:

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FHA or VA fee for the loan application;

Loan origination fees and similar charges such as loan assumption fees and loan transfer fees. A loan origination fee is a fee paid by the borrower to compensate the lender for administrative type expenses incurred in originating and processing a loan. Reimbursement for a loan assumption fee or a loan transfer fee or a similar charge also may be allowed, if it is assessed in lieu of a loan origination fee and reflects charges for services similar to those covered by a loan origination fee. An employee may be reimbursed for these fees in an amount of 1 percent of the loan amount or less without itemization of the lender's administrative charges. Reimbursement may exceed 1 percent only if the employee shows by clear and convincing evidence that:

The higher rate does not include prepaid interest, points, or a mortgage discount; and

The higher rate is customarily charged in the locality where the residence is located.

Cost of preparing credit reports;

Mortgage and transfer taxes;

State revenue stamps;

Other fees and charges similar in nature to those listed in paragraphs (f) (1) through (5) of this section, unless specifically prohibited in § 302-50.205;

Charge for prepayment of a mortgage or other security instrument in connection with the sale of a residence at the old official station to the extent the terms in the mortgage or other security instrument provide for this charge. This prepayment penalty is also reimbursable when the mortgage or other security instrument does not specifically provide for prepayment, provided this penalty is customarily charged by the lender, but in that case the reimbursement may not exceed 3 months' interest on the loan balance;

Mortgage title insurance policy, paid for by the employee, on a residence purchased by the employee for the protection of, and required by, the lender; (For mortgage insurance see § 302-50.205 .)

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Owner's title insurance policy, provided it is a prerequisite to financing or the transfer of the property; or if the cost of the owner's title insurance policy is inseparable from the cost of other insurance which is a prerequisite to financing or the transfer of the property;

Expenses in connection with construction of a residence, which are comparable to expenses that are reimbursable in connection with the purchase of an existing residence;

Expenses in connection with environmental testing and property inspection fees when required by Federal, State, or local law; or by the lender as a precondition to sale or purchase; and

Other expenses of sale and purchase of residences. Incidental charges made for required services in selling and purchasing residences may be reimbursable if they are customarily paid by the seller of a residence at the old official station or if customarily paid by the purchaser of a residence at the new official station, to the extent they do not exceed amounts customarily charged in the locality of the residence.

§ 302-50.205

What residence transaction expenses will FAA not pay?

FAA will not reimburse the following expenses:

Fees or commissions paid in connection with the purchase of a home at the new official station (e.g., buyer's broker fees);

Owner's title insurance policy, "record title" insurance policy, except as otherwise provided in § 302-50.204;

Mortgage insurance or insurance against loss or damage of property, and optional insurance paid for by the employee in connection with the purchase of a residence for the protection of the employee;

Interest on loans, points, and mortgage discounts;

Property taxes;

Operating or maintenance costs;

No fee, cost, charge, or expense determined to be part of the finance charge under the Truth in Lending Act, title I, Pub. L. 90-321, as amended, and Regulation Z issued by the Board of Governors of the Federal Reserve System (12 CFR part 226), unless specifically authorized in § 302-50.204;

VA funding fees;

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Commitment fees;

Environmental testing and property inspection fees which are not required by Federal, State, or local law; or by the lender as a precondition to sale or purchase;

Resale waiver fee, “flip tax,” or other fee paid to a condominium or cooperative arrangement to allow you to sell your unit on the open market;

Expenses that result from construction of a residence; and

Costs of litigation related to residence transactions.

§ 302-50.206 **Will FAA pay for losses you incur on the sale of your old residence?**

No. FAA will not reimburse you for losses you incur:

Due to failure to sell a residence at the old official station at the price asked, or at its current appraised value, or at its original cost;

Due to failure to buy a dwelling at the new official station at a price comparable to the selling price of the residence at the old official station; or

Any similar losses.